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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 2-2274

ALTA GOLD CO.
(Exact Name of Registrant as specified in its charter)

Nevada	87-0259249
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2319 Foothill Drive, Suite 140 Salt Lake City, Utah	84109
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (801) 483-1116

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The number of shares outstanding of the Registrant's Common Stock as of March 31, 1992 was 26,984,189.

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ALTA GOLD CO. & SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

ALTA GOLD CO. & SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands)

ASSETS

	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT ASSETS:		
Cash and cash equivalents	$13,741	$15,120
Receivables	384	329
Inventories	1,130	1,154
Prepaid expenses and other	603	296
Restricted short-term investments	15,134	14,833
Total current assets	30,992	31,732
PROPERTY, BUILDINGS AND EQUIPMENT, net	16,424	16,578
DEFERRED EXPLORATION AND DEVELOPMENT COSTS, net	9,071	9,071
OTHER ASSETS	964	1,163
Total assets	$57,451	$58,544

The accompanying notes are an integral part of these consolidated condensed financial statements.

ALTA GOLD CO. & SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS (continued)
(In thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT LIABILITIES:		
Current portion of long-term debt-		
Term loan payable to Mase Westpac, Ltd. (See Note 5 regarding litigation)	$13,185	$12,975
Proportionate share of Cyanco construction loan (Note 6)	2,626	4,756
Other long-term debt	699	702
Accounts payable	379	931
Accrued liabilities	1,544	1,323
Income tax payable	-	127
Total current liabilities	18,433	20,814
LONG-TERM DEBT, net of current portion	474	509
OTHER LONG-TERM LIABILITIES	3,275	2,443
DEFERRED INCOME TAXES PAYABLE	755	755
Total liabilities	22,937	24,521
STOCKHOLDERS' EQUITY:		
Common stock, $.001 par value; authorized 40,000,000 shares, issued 26,984,189 and 26,729,275 shares, respectively	27	27
Additional capital	39,950	39,682
Warrants outstanding	95	95
Accumulated deficit	(5,371)	(5,580)
Deferred compensation	(187)	(201)
Total stockholders' equity	34,514	34,023
Total liabilities and stockholders' equity	$57,451	$58,544

The accompanying notes are an integral part of these consolidated condensed financial statements.

ALTA GOLD CO. & SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share amounts)

	Three months ended March 31, 1992	1991
REVENUES	$ 451	$ 7,436
OPERATING COSTS AND EXPENSES:		
Direct mining and production costs	1,169	8,890
General, administrative and other	463	799
Depreciation, depletion, amortization	355	1,152
	1,987	10,841
Loss from operations	(1,536)	(3,405)
OTHER INCOME (EXPENSE), net	368	(386)
LOSS BEFORE INCOME TAX BENEFIT AND EXTRAORDINARY ITEM	(1,168)	(3,791)
Income tax benefit	175	-
LOSS BEFORE EXTRAORDINARY ITEM	(993)	(3,791)
Extraordinary item (Note 6): Gain on debt restructuring, net of $175,000 of income tax	1,202	-
NET INCOME (LOSS)	$ 209	$(3,791)
NET INCOME (LOSS) PER COMMON SHARE (Note 1):		
Loss before extraordinary item	$ (.04)	$ (.15)
Extraordinary item	$ .05	$ -
NET INCOME (LOSS) PER SHARE	$ .01	$ (.15)
WEIGHTED AVERAGE SHARES OUTSTANDING	27,153	26,696

The accompanying notes are an integral part of these consolidated condensed financial statements.

ALTA GOLD CO. & SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three months ended March 31,	
	1992	1991
Cash Flows from Operating Activities:		
Net income (loss)	209	$(3,791)
Adjustments to reconcile net income (loss) to net cash operating activities:		
Depreciation, depletion and amortization	355	1,182
Gain on sale of assets	-	(203)
Stock compensation and other	280	501
Net change in assets and liabilities	(1,074)	785
Extraordinary gain (Note 6)	(1,377)	-
Operating costs not funded by the Company	-	1,284
Net cash used in operating activities	(1,607)	(242)
Cash Flows from Investing Activities:		
Reduction of basis in Partnership	-	508
Purchase of property, buildings and equipment	(200)	-
Proceeds from sale of assets	-	184
Payments received on note receivable	37	-
Income on investments (unrestricted)	349	-
Income on investments (restricted)	301	-
Reinvestment of investment income	(301)	-
Net cash (used in) provided by investing activities	186	692
Cash Flows from Financing Activities:		
Proceeds from issuance of debt	80	387
Payments on debt	(38)	(1,208)
Reacquisition of common stock	-	(10)
Net cash provided by (used in) financing activities	42	(831)
Net decrease in cash and cash equivalents	(1,379)	(381)
Cash and cash equivalents, beginning of period	15,120	1,162
Cash and cash equivalents, end of period	$13,741	$ 781

The accompanying notes are an integral part of these consolidated condensed financial statements.

ALTA GOLD CO. & SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Continued)
(Unaudited)
(In thousands)

	Three months ended March 31,	
	1992	1991
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 35	$ 212
Cash paid during the period for income taxes	250	-

The accompanying notes are an integral part of these consolidated condensed financial statements.

ALTA GOLD CO. & SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Interim Financial Statement Policies and Disclosures

The unaudited, condensed, consolidated financial statements of Alta Gold Co. (the "Company") included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally required in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These interim, unaudited, consolidated, condensed financial statements should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 1991, as filed with the Securities and Exchange Commission. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1992 are not necessarily indicative of the results that may be expected for the year ending December 31, 1992.

Reclamation Costs

Minimum standards for mine reclamation have been established by various governmental agencies which affect certain operations of the Company. The Company's general policy is to accrue estimated reclamation costs during the property's productive life based on estimated reserves using the units of production method. As of March 31, 1992 and December 31, 1991, the Company had reserved approximately $3,516,000 and $3,535,085 respectively for reclamation activities of which approximately $1,073,000 is expected to be expended during 1992.

Earnings (Loss) Per Share

Earnings per share is computed for the three months ended March 31, 1992 based on the weighted-average number of shares actually outstanding, plus the shares that would be outstanding assuming exercise of dilutive stock warrants and fulfillment of employee stock compensation agreements, all of which are considered to be common stock equivalents. No common stock equivalents are included in the computation for loss per share for the three months ended March 31, 1991 because they are anti-dilutive.

Note 2. Inventories

Inventories consist of the following:

	(In Thousands) March 31, 1992	December 31, 1991
Precious metals and concentrates	$ 805	$ 805
Mining and milling supplies	325	349
	$ 1,130	$ 1,154

Note 5. Mase Westpac Ltd. Litigation

The Company is currently in litigation with Mase Westpac, Ltd., (Mase), one of the Company's lenders. The Company has classified the entire debt, including accrued interest, as a current liability on these financial statements. As of March 31, 1992, the debt with accrued interest totalled approximately $13,185,000. The Company has placed into escrow and classified as Restricted Short Term Investments approximately $15,024,000 to provide for the possibility of an adverse ruling. For more information regarding the Mase litigation, see Part II, Item 1 "Legal Proceedings" of this Form 10-Q.

Note 6 Cyanco Joint Venture

Effective February 1, 1989, SP Chemical Co., a special-purpose, wholly-owned subsidiary of the Company, and Nevada Chemicals, Inc., a wholly-owned subsidiary of Mining Services International, formed CyanCo Company ("CyanCo") to operate as a joint venture with Nevada Chemicals, Inc. acting as the operator. SP Chemical Co. initially contributed $1,000,000 for its 33 1/3 percent participating interest and Nevada Chemicals, Inc. has a 66 2/3 percent participating interest. CyanCo was formed to construct and operate a liquid sodium cyanide production facility. Construction of the facility was completed in 1991 at a cost of approximately $14,000,000. The cost of the project was largely financed with a nonrecourse construction loan from Westinghouse Credit Corporation (WCC) which was scheduled to convert to a term loan at the completion of the construction of the production facility. However, due to tightening market and financial conditions, the construction loan was not converted to a term loan as scheduled and CyanCo and WCC entered into a series of negotiations to restructure the loan. On March 27, 1992, CyanCo, along with its general partners, SP Chemical Co. and Nevada Chemicals, Inc., and WCC entered into a Settlement and Release Agreement pursuant to which CyanCo agreed to pay the lender $6,000,000 and to grant a royalty on cyanide production not to exceed $2,500,000 in total, in full settlement of all amounts owed.

Cyanco, Nevada Chemicals and SP Chemical have obtained bridge financing for the $6,000,000 (secured by the sodium cyanide plant) from a third party which amount was paid to WCC. It is planned that a major portion of the bridge financing will be converted to ownership in CyanCo and the Company will withdraw from the joint venture upon release of liabilities and obligations and upon receipt of certain cash and future guaranteed payments. Final negotiations have not been completed.

During March, 1992, the Company recorded the above debt restructuring by reducing its proportionate share of the construction loan by approximately $2,170,000, recording a long-term royalty obligation of approximately $833,000 (the Company's proportionate share of the $2,500,000 CyanCo royalty) and recording an extraordinary gain on debt restructuring of approximately $1,377,000.

CyanCo currently owes the Company approximately $349,000 in loans which will be paid to the Company when final negotiations are completed. In addition, CyanCo has recorded approximately $689,000 as deposits payable, representing liquid cyanide which was prepaid by the Company during 1990 which amount will be repaid to the Company in 12 equal monthly installments beginning during the second quarter of 1992.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 1992, the Company had working capital of approximately $12,560,000 compared with working capital at December 31, 1991 of $10,918,000. The increase of $1,642,000 is primarily due to the reduction of CyanCo debt (see Note 6 to the financial statements) and the payment of various amounts accrued at December 31, 1991.

The Company's cash balance at March 31, 1992 is approximately $13,741,000, the majority of which is invested in cash-equivalent, liquid, short-term investments. The Company also has 2,279 ounces of gold bullion from 1991 production which are currently classified as inventory. These ounces may be converted to cash at Management's discretion.

As discussed in Note 6 to the financial statements, the CyanCo debt has been restructured resulting in a reduction of current liabilities of approximately $2,213,000, the capitalization of a long-term royalty obligation based on production to Westinghouse Credit Corporation (WCC) of $833,000 and recognition of an extraordinary gain in the amount of $1,377,000. The WCC construction loan balance of $6,000,000 was paid in full using a short-term bridge loan on April 22, 1992. It is planned that the Company will withdraw from CyanCo during the second quarter of 1992 upon receiving cash and certain guaranteed payments; However, final negotiations have not been completed.

Other long-term liabilities consist of reclamation accruals in the amount of approximately $2,443,000 on certain properties representing anticipated expenditures during 1993 and thereafter for reclamation activities and the Company's portion of the long-term royalty obligation to WCC in the amount of approximately $833,000.

As a result of the strong cash position of the Company, Management anticipates that its cash and other cash equivalent resources will be sufficient to maintain current operations and to provide capital for investment in long-term projects and properties. The Company is evaluating its current properties to determine the best strategies in order to optimize cash flows and long-term growth potential as well as undertaking vigorous business development, research, exploration and acquisition plans to better position the Company for long-term growth and profitability.

RESULTS OF OPERATIONS

Revenues from the Company's operations for the quarters ended March 31, 1992 and March 31, 1991 consist primarily of sales of precious metals, base metals, management fees from managing joint ventures and the Company's proportionate share of revenue from the CyanCo Joint Venture, however as the Company has restructured and closed certain operations, revenues have decreased from $7,436,000 during the first quarter of 1991 to $451,000 during the first quarter of 1992. The Company's precious and base metal properties have been on security and maintenance basis during the past winter. Therefore, no metals were produced or sold during the first quarter of 1992. The Company opened the Golden Butte, Elder Creek and Illipah properties for heap leaching, rinsing and other reclamation activities during April, 1992 and anticipates gold recovery of 1,500 ounces from Golden Butte, 500 ounces from Illipah and 1,700 ounces from Elder Creek for the year ending 1992. These ounces will partially offset production and reclamation expenditures during 1992. Virtually all the revenue during the quarter ended March 31, 1992 resulted from the Company's share of CyanCo sales of sodium cyanide.

The Company's portion of liquid cyanide sales from CyanCo, in which the Company owns a nonoperating 33 1/3% interest, increased by 75% or $193,000 for the quarter ended March 31, 1992 as compared to March 31, 1991. This increase is a result of increased sales of sodium cyanide from approximately 1,221,000 pounds of sodium cyanide at March 1991 to approximately 2,435,000 pounds of sodium cyanide at March 1992. The price of cyanide still remains low due to over supply and decreased demand, however, CyanCo is continuing to increase revenue through negotiations of long-term supply contracts with major gold producers in the Western United States.

Operating costs and expenses reflect a decrease of approximately $8,854,000 for the first quarter ended 1992 as compared with the first quarter ended 1991. Direct mining and production costs decreased by approximately $7,721,000 due to reduced purchases and personnel costs resulting from the shut down of the Ward/Taylor and Golden Butte properties and the sale of the Company's interest in the San Juan County Mining Venture and the Robinson Mining Limited Partnership, all of which were in production during the first quarter of 1991. Direct mining and production costs for the quarter ended March 31, 1992 of $1,169,000 represents mine shut-down and maintenance costs of approximately $555,000, exploration expenditures of approximately $200,000 and the Company's portion of Cyanco operating expenses of $414,000. General and administrative expenses decreased by approximately $336,000 due primarily to reduced personnel costs. Depreciation, depletion and amortization decreased by approximately $797,000 due to the write-off of various long-term assets and reduced depletion due to reduced operations.

Other income/expense reflects an increase of approximately $755,000 for the first quarter 1992 as compared with the first quarter 1991. This increase is primarily the result of investment income from the Company's unrestricted short-term investments and the Mase Westpac cash escrow account and a lower interest accrual on the Mase Westpac debt due to lower interest rates in 1992 compared to those existing in 1991.

During the quarter, the Company recorded an extraordinary gain of approximately $1,377,000 relating to the restructuring of the CyanCo construction loan (See Note 6 to the financial statements).

PART II OTHER INFORMATION

Item 1: LEGAL PROCEEDINGS

On February 21, 1991, Mase Westpac, Ltd. ("Mase"), one of the Company's bank lenders, filed an action in U.S. District Court in the District of Utah to recover the entire balance under a revolving credit agreement and for a preliminary and permanent injunction restraining the Company from violating the covenants in the revolving credit agreement. The action was subsequently moved to the district of New York. Mase's action alleges the Company defaulted under the terms of the revolving credit agreement by failing to make an entire principal payment on December 31, 1990. In December 1990, the Company requested an extension of the December 31, 1990 payment and it was management's understanding that the portion of the December 31, 1990 principal payment not paid had been refinanced temporarily by a side loan with Mase at an increased rate of interest. Subsequently, the Company tendered payment to Mase for amounts then owing. The offered payment was unacceptable in the manner in which it was to be applied between interest and principal. Accordingly, the Company filed a lawsuit in the Second District Court for the participating bank under the revolving credit agreement, seeking a declaratory judgment that the Company is not in default under the revolving credit agreement and alleging breach of contract, economic duress and interference with contractual relations and perspective economic advantage and seeking damages in excess of $15 million. These actions have been transferred to the New York court with those of Mase.

The Company has deposited $14,500,000 (included in restricted short-term investments in the accompanying March 31, 1992 and December 31, 1991 balance sheet) of the proceeds from the Robinson sale in an investment escrow account to provide for the possibility of an adverse ruling. At March 31, 1992, the amount outstanding under the revolving credit agreement, including accrued interest, was approximately $13,185,000 and the increased balance in the escrowed funds is approximately $15,024,000.

In the accompanying consolidated balance sheets as of March 31, 1992 and December 31, 1991, the debt, including accrued interest, has been classified as current along with the amount deposited in the escrow account.

Management and the Company's legal counsel believe that if the ultimate outcome of the lawsuits is unfavorable to the Company, the amount deposited in the escrow account will be sufficient to cover all claims and any other impact on the Company would not be significant.

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

No report has been filed on Form 8-K during the three-month period ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTA GOLD CO.
(registrant)

May 14, 1992
(Date)

BY:
DUANE W. HOSS
VICE PRESIDENT/TREASURER
& CHIEF FINANCIAL OFFICER